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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
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COMMENT ON PEIPING'S ADMISSION OF SERIOUS FLOOD DAMAGE

In a reversal of its previous announcements, Peiping on 8 August admitted that flood damage this summer has amounted to a major disaster. Six percent of China's cultivated land--about 15,000,000 acres--is now said to have been inundated. This land, mostly in the rich rice area of Central China, hardest hit by the floods, would normally grow over ten percent of China's annual food crops.

The Chinese Communists appear to have been genuinely surprised by the worsening situation. They may have been lulled in late July by a temporary drop in the Yangtze water level at Hankow. The river started rising again, however, in early August while rainfall continued heavy. By 9 August the water level at Hankow had risen to a level 40 inches above the previous high mark reached in 1931.

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The Chinese Communist leadership would naturally prefer that any such aid come from the Orbit--which is not known to have offered any aid--or from Asian "neutrals" which recognize Peiping. As Peiping bases its internal program more heavily on anti-American propaganda than does any other Communist state, it is doubtful that an American offer of relief would be accepted. If compelled in desperation to accept an American offer, Peiping would certainly insist on complete control of distribution, in order to minimize identification of the donor.

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